

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6557**

**BILL NUMBER:** HB 1175

**NOTE PREPARED:** Dec 22, 2010

**BILL AMENDED:**

**SUBJECT:** Alcohol Displays.

**FIRST AUTHOR:** Rep. Burton

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
☐ **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill requires a holder of a liquor dealer permit, other than a package liquor store, to display liquor for sale in a room or partitioned area separate from other retail items for sale on the premises. It also prohibits a minor from entering the room or partitioned area without a parent or guardian who is at least 21 years of age.

**Effective Date:** July 1, 2011.

**Explanation of State Expenditures:** This bill may increase the enforcement cost of the Excise Police of the Alcohol and Tobacco Commission (ATC). The impact will ultimately depend on the number of inspections and inquiries the Excise Police conduct concerning possible violations by a retail business in displaying liquor.

**Explanation of State Revenues:** This bill requires a holder of a liquor dealer permit, other than a package liquor store, to display liquor for sale in a room or partitioned area separate from other retail items for sale on the premises. According to the ATC's October 2010 permit counts, there are 823 liquor dealer permit holders other than package liquor stores.

The fiscal impact of this bill will ultimately depend on the extent the provisions affect liquor sales. Liquor sales changes will affect collections of both liquor excise tax and the Sales Tax. Liquor is taxed at a rate of \$2.68 per gallon, and the revenue is distributed as follows: \$1.00 to the state General Fund; \$1.17 to the Post War Construction Fund; \$0.11 to the ATC Enforcement and Administration Fund; \$0.34 to the Pension Relief Fund; and \$0.06 to the Addiction Services Fund.

Sales Tax revenue is deposited in the state General Fund (99.178%), the Public Mass Transportation Fund

(0.670%), the Commuter Rail Service Fund (0.123%), and the Industrial Rail Service Fund (0.029%).

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** See *Explanation of State Revenues*.

**State Agencies Affected:** Alcohol and Tobacco Commission.

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** Diana Agidi, 317-232-9867.